



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

SECRETARY OF DEFENSE

07 AUG 1981

INTERNATIONAL  
SECURITY POLICY

In reply refer to:  
I-10047/81

MEMORANDUM FOR RECORD

SUBJECT: Meeting with Geoffrey Pattie - INFORMATION MEMORANDUM (U)

(U) Time and Place: Thursday, 30 July 1981, 1600-1630, Room 3E944,  
The Pentagon

(U) Participants:

US

Deputy Secretary of Defense,  
Frank C. Carlucci  
Deputy Principal Director, EUR &  
NATO Policy/ISP, George Bader  
Country Director, EUR & NATO Policy,  
ISP, James Timberlake

UK

Under Secretary of State for  
Defence Procurement, Geoffrey  
Pattie  
Counselor, Defence Supply, UK  
Embassy, Brian Webster

1. (U) AV-8B. Mr. Pattie thanked Secretary Carlucci for his timely intervention on AV-8B.

2. (C) Rapier. Mr. Pattie said his chief reason for coming to Washington at this time was to present the case of UK Rapier for the RDF. The US Army requires portable air cover for the RDF and Rapier fills the bill. Rapier would cost less, has been operational for seven years and had over 4,000 firings, and would present no developmental problems. Militarily, it is the most credible system for the RDF. Politically, its sale to the US would be a sizeable entry in the two-way street ledger, and, since the US is not developing a rival system, could be acquired without bending anything. About 180-220 units would be required, with a life-cycle cost of about \$1.6 billion. Initial procurement would be \$75 million. General Meyer and the Army believe the Army already has too many systems in its inventory and don't want to buy Rapier. Pattie said he would be seeing General Meyer to address the logistic aspects of the Army's acquisition of Rapier. He would describe the depot system that would be available for Rapier and support the UK could offer. In the Gulf, for example, Abu Dhabi and Qata have Rapier.

Secretary Carlucci noted that the House had mandated the Army choose between Rapier and Divad for an air defense system in light divisions. He felt the Army should look at a range of systems. Mr. Pattie replied that a range of systems would give the Army the opportunity to ride off

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DECLASSIFY ON: 6 August 1987

OSD review completed

into the wild blue. He hoped that, at the appropriate stage, the Administration and Secretary Carlucci personally would give their support to Rapier. Secretary Carlucci said he would take a personal interest in the matter and give it proper attention.

3. (C) Diego Garcia. Mr. Pattie said it had only come to his attention recently that the '82 Authorization Bill had language requiring all materials used for construction on Diego Garcia be of US origin. Secretary Carlucci observed that some people seemed unaware that Diego Garcia is UK territory. He directed Mr. Bader to look into the matter and see that a letter is sent to the conferees.

4. (C) SecDef/Nott Meeting. Secretary Carlucci noted that Secretary Weinberger and John Nott would meet again on 21 August. He and Secretary Weinberger had reviewed the D-5 Trident missile issue, and all of the arguments seemed to go in one direction. He thought the decision would be positive and that Secretary Weinberger would be able to tell Nott when he sees him.

5. (C) DoD Budget. Secretary Carlucci said that the battle against fraud, waste, and abuse was being fought in DoD and was a major pre-occupation. The '83 budget posed difficult choices. His guess was that it would run \$5-7 billion over and have to be cut. The budget will not increase over 7 percent. DoD had an image problem as a result of squeezing projects into the budget and then having them encounter cost overruns. He would prefer to avoid submitting a five-year defense plan with the '83 budget because Congress would then start budgeting beyond the next year and reduce DoD's flexibility.

6. (C) UK Defense Review. In the corridor following the meeting, Mr. Pattie asked Mr. Bader if the US had any serious problems with the UK defense review. Mr. Bader replied that he saw a potential problem in the ship reductions at a time when we intended to expand the size of our own surface fleet. We were still trying to sort out with MOD the discrepancy between Nott's base point of 59 NATO committed ships and the level indicated in the UK's DPG reply of 66, as well as clarifying the categories of readiness of the retired ships.

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